

**THE WOODLANDS TOWNSHIP
BOARD OF DIRECTORS
REGULAR BOARD MEETING
OCTOBER 27, 2010
MINUTES**

**THE STATE OF TEXAS §
COUNTIES OF HARRIS & MONTGOMERY §**

The Board of Directors of The Woodlands Township met in regular session, open to the public, on October 27, 2010, posted to begin at 6:00 p.m. The meeting was held at the office of The Woodlands Township, Service Center, 2201 Lake Woodlands Drive, The Woodlands, Texas, within the boundaries of The Woodlands Township.

DIRECTORS PRESENT: Chairman Bruce Tough, Vice Chairman Lloyd Matthews, Secretary Claude Hunter, Treasurer Ed Robb, Director Nelda Blair, Director Tom Campbell, and Director Peggy Hausman**

DIRECTORS ABSENT: **Indicates arrived late

STAFF/ADVISORS: Don Norrell, President/General Manager, John Powers, Assistant General Manager Community Services, Monique Sharp, Assistant General Manager of Finance & Administration, Nick Wolda, Director of Community Relations/CVB President, Miles McKinney, Legislative Affairs & Transportation Manager, Karen Dempsey, Management Analyst, Mary Connell, Community Relations Manager, Mike Page and Bret Strong, Legal Counsel

CALL TO ORDER:

Chairman Tough called the meeting to order at 6:00 p.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouses of Montgomery and Harris Counties and inside the boundaries of The Woodlands Township at the office building located at 2201 Lake Woodlands Drive, The Woodlands, Texas. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

RECOGNITION: Chairman Tough recognized the following members of Boy Scouts of America, Troop 89, The Woodlands, TX who are working on the Citizenship in the Community merit badge:

Lone Star Patrol:
Bryan Valencia, Troop Advisor
Ben Archacki, First Class Scout
Spencer Czerniak, First Class Scout

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Cole Howden, First Class Scout
Dalton Kott, First Class Scout
Andrew Ritchie, Tenderfoot Scout
Jackson Valencia, First Class Scout

Spartan Patrol:
Ryan Terrible, First Class Scout

CONSIDER AND ACT UPON ADOPTION OF MEETING AGENDA:

Chairman Tough called for a motion and second to adopt the meeting agenda.

MOTION: Motion by Secretary Hunter; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell

Nays: None

Absent: Director Hausman

ACTION: Motion passed unanimously.

RECOGNIZE PUBLIC OFFICIALS:

Chairman Tough recognized Lieutenant Dan Norris with the Montgomery County Sheriff's Office.

PUBLIC COMMENT:

The following members of the public addressed the Board:

- Everett Ison-War Memorial and Public Comment before agenda items

The Public Comment Roster is attached hereto as Exhibit "A".

RECEIVE AND CONSIDER THE LAW ENFORCEMENT REPORT FROM CAPTAIN EASON WITH THE MONTGOMERY COUNTY SHERIFF'S OFFICE:

No report was given.

RECEIVE AND CONSIDER REPORTS FROM VILLAGE ASSOCIATION REPRESENTATIVES:

Reports were provided by the following Village Association (VA) representatives:

Alden Bridge VA-No report

Cochran's Crossing VA-No report

College Park VA-No report

Creekside Park VA-No report

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Grogan's Mill VA-Bruce Cunningham gave an update on the Farmer's Market/Craft Fair; received a proposal from First Baptist Church on suggestions to improve the Grogan's Mill Village Center; Facebook page is up; revising by-laws

Panther Creek VA-Everett Ison reported that the village is participating in the Flea Market; good support received for a trial trolley stop at the village center; awarding a scholarship at the next meeting

Indian Springs VA-Ron Kostelny reported that community police officer's gave a good report at the last meeting; good turnout for Taste of the Village; reformed website committee; participating at the Flea Market; Village officers' meeting will be held tomorrow

Sterling Ridge VA-No report

The Village Association Representatives' Sign In Sheet is attached hereto as Exhibit "B".

CONSIDER AND ACT UPON THE CONSENT AGENDA;

(This agenda consists of non-controversial or "housekeeping" items required by law that will be placed on the Consent Agenda at the next Board Meeting and may be voted on with one motion. Items may be moved from the Consent Agenda to the Regular Agenda by any Board Member making such request.)

CONSENT AGENDA ITEMS:

- (a) Approve the minutes of the September 16, 2010 Workshop and the September 22, 2010 Regular Meeting of the Board of Directors of The Woodlands Township;
- (b) Approve renewal of a Service Agreement with South Montgomery County YMCA for the Partners of Youth program;
- (c) Approve renewal of a Service Agreement with The Friendship Center;
- (d) Approve renewal of a Service Agreement with South Montgomery County Woodlands Chamber of Commerce Economic Development Partnership at a level of \$125,000;
- (e) Approve renewal of a Service Agreement with the Greater Houston Partnership at a level of \$25,000 for 2011;
- (f) Approve renewal of a Service Agreement with The Center for Houston's Future at a level of \$15,000;
- (g) Approve renewal of a Service Agreement with Leadership Montgomery County at a level of \$5,000 for the 2010-2011 leadership year;
- (h) Approve renewal of an Interlocal Agreement with Montgomery County for services provided by the Montgomery County Constable's Office, Precinct 3 and Montgomery County Justice of the Peace, Precinct 3 in the amount of \$177,700;
- (i) Approve a Public Safety Service Agreement with Harris County for services provided by the Harris County Constable's Office, Precinct 4 in the amount of \$116,100 and authorize the President/General Manager to execute the agreement upon review and approval of legal counsel;
- (j) Approve renewal of two Public Safety Service Agreements: Interlocal Agreement with Montgomery County for the Provision of Law Enforcement Services and an Agreement for Law Enforcement Services with Montgomery County;
- (k) Approve a Memorandum of Understanding with Youth Soccer Club of Montgomery County Inc. (dba Rush Soccer) and authorize the President/General Manager to execute the agreement;
- (l) Approve a Memorandum of Understanding with South Montgomery County YMCA and authorize the President/General Manager to execute the agreement;
- (m) Approve a Memorandum of Understanding with The Woodlands Youth Rugby Club and authorize the President/General Manager to execute the agreement;
- (n) Approve a Memorandum of Understanding with The Woodlands Rugby Football Club and authorize the President/General Manager to execute the agreement;

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- (o) Approve a Memorandum of Understanding with the Woodlands Lacrosse Association and authorize the President/General Manager to execute the agreement;
- (p) Approve a request from The Woodlands Resort and Conference Center to waive a 5% late fee on local hotel occupancy tax deposit for the month of September;
- (q) Award bid for sound engineering services to SkyGod Productions, LLC and authorize the President/General Manager to execute a contract for the services;

Chairman Tough called for a motion and second to adopt the Consent Agenda.

MOTION: Motion by Secretary Hunter; second by Vice Chairman Matthews

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell

Nays: None

Absent: Director Hausman

ACTION: Motion passed unanimously.

Executive Summaries and supporting materials for Consent Agenda items are attached hereto collectively as Exhibit "C".

BRIEFINGS:

Receive a presentation from Jim Stinson, General Manager of The Woodlands Joint Powers Agency, regarding water conservation issues;

Receive a presentation from Jace Houston, Deputy General Manager with the San Jacinto River Authority, regarding surface water issues;

Mr. Houston and Mr. Stinson presented a PowerPoint presentation that focused on surface water issues as well as water conservation issues in Montgomery County. No action was needed on this item.

The PowerPoint presentation is attached hereto as Exhibit "D".

REGULAR AGENDA:

Consider and act upon the Financial Report;

Monique Sharp presented the Financial Report and referred the Board to handout material containing the General Purpose Financial Statements as of and for the nine months ended September 30, 2010. After a review of the Combined Financial Statements and Monthly Investment Report, a report on the General Fund Budget vs. Actual was presented. Ms. Sharp then reported on the Township's sales tax collections, hotel occupancy tax collections, and property tax collections. Following Ms. Sharp's presentation, Chairman Tough called for a motion and second to approve the Financial Report.

MOTION: Motion by Treasurer Robb; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb

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Director Blair
Director Campbell

Nays: None

Absent: Director Hausman

ACTION: Motion passed unanimously.

The Financial Report is attached hereto as Exhibit "E".

Consider and act upon renewal of a Service Agreement with The Woodlands Convention and Visitors Bureau;

Chairman Tough called on Nick Wolda to present this item. Mr. Wolda provided a summary of the item as outlined in an Executive Summary. Discussion followed. Chairman Tough then called for a motion and second to approve renewal of a service agreement with The Woodlands Convention and Visitors Bureau.

MOTION: Motion by Director Blair; second by Treasurer Robb

VOTE: **Ayes:** Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair

Nays: Director Campbell

Absent: Director Hausman

ACTION: Motion passed.

The Executive Summary for this item is attached hereto as Exhibit "F".

Consider and act upon renewal of a Service Agreement with Stout Government Relations Consulting, LLC;

Chairman Tough called on Karen Dempsey to present this item. Ms. Dempsey referred the Board to a Memorandum regarding whether the contract for Governmental Relations consulting services should be bid. Based on the information provided in the Memorandum, it was recommended to the Board that the Township continue to retain the services of Stout Government Relations Consulting, LLC for 2011. Discussion followed. Chairman Tough then called for a motion and second to approve renewal of a service agreement with Stout Government Relations Consulting, LLC.

MOTION: Motion by Treasurer Robb; second by Director Blair

VOTE: **Ayes:** Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell

Nays: None

Absent: Director Hausman

ACTION: Motion passed unanimously.

The Executive Summary and Memorandum for this item are attached hereto as Exhibit "G".

Note: Director Hausman arrived at this point in the meeting.

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Consider and act upon acceptance of a proposal for a Veterans Memorial sculpture;

Chairman Tough called on John Powers to present this item. Mr. Powers provided a summary of the item as outlined in an Executive Summary. Following Mr. Power's presentation, Edd Hayes, sculptor for the memorial, was called on to make a presentation to the Board. Mr. Hayes displayed a rendering of a maquette of the statue and addressed questions from the Board. Following Mr. Hayes' presentation, Chairman Tough recognized Bill Wingo and Everett Ison, for their efforts in bringing the Veteran's Memorial to The Woodlands. Discussion followed. Chairman Tough then called for a motion and second to approve that staff continue working with the Veterans Memorial Committee and bring forth a plan, schedule and design for recommendation.

MOTION: Motion by Vice Chairman Matthews; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item and related materials are attached hereto collectively as Exhibit "H".

Consider and act upon approval of a ground lease for the Rowing Club of The Woodlands;

Chairman Tough called on John Powers to present this item. Mr. Powers provided a summary of the item as outlined in an Executive Summary. Discussion followed and then Chairman Tough called for a motion and second to authorize the President/General Manager to work with the Rowing Club of The Woodlands and legal counsel to draft a ground lease and return to the Board with the draft agreement for further consideration.

MOTION: Motion by Treasurer Robb; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit "I".

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Consider and act upon award of bid for private security services;

Chairman Tough called on John Powers to present this item. Mr. Powers provided a summary of the item as outlined in an Executive Summary. Board discussion then followed after which the Chairman called for a motion and second to approve award of bid for security services to Industrial Security Services Corporation for a three year period (2011, 2012 and 2013) and authorize the President/General Manager to execute a contract for the services.

MOTION: Motion by Secretary Hunter; second by Vice Chairman Matthews

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit "J".

Consider and act upon a recommendation from the Ad Hoc Water Taxi Committee regarding water taxi Service Agreements;

Chairman Tough called on Nick Wolda to present this item. Mr. Wolda provided a summary of the item as outlined in an Executive Summary. Board discussion then followed after which the Chairman called for a motion and second to approve the following agreements and authorize the President/General Manager to execute the agreements:

- Waterway Cruisers Bill of Sale, Assignment and Assumption with Limited Reversionary Rights
- Waterway Cruisers Interlocal Agreement
- Waterway Cruisers Funding Agreement
- Waterway Cruisers Operation Services Agreement
- Assignment of Service Mark

MOTION: Motion by Vice Chairman Matthews; second by Secretary Hunter and then subsequently amended by Secretary Hunter to **include item 17 regarding amending the name of the Waterway Taxis to Waterway Cruisers.** The friendly amendment was accepted by Vice Chairman Matthews.

Before the Board was asked to vote, Director Blair commented that the CVB still has some due diligence to go through before all the agreements are executed. The Chair then called for a vote on items 16 and 17.

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell

Nays: Director Hausman

Absent: None

ACTION: Motion passed.

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The Executive Summary for items 16 and 17 are attached hereto as Exhibit "K" and Exhibit "L", respectively.

Consider and act upon a process and procedure for considering and approving encroachments onto Township owned and/or managed properties and adoption of a Resolution Establishing the Use of a Standard Form Memorandum of Agreement in connection therewith;

There was no need for a staff presentation or additional Board discussion on this item. Chairman Tough called for a motion and second to adopt a Resolution Establishing the Use of a Standard Form Memorandum of Agreement and to authorize the President/General Manager to execute such Form where determined advantageous and in the best interest of the Township to enter into a Memorandum of Agreement as contained in the Form.

MOTION: Motion by Secretary Hunter; second by Treasurer Robb

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit "M". The Resolution Establishing the Use of a Standard Form Memorandum of Agreement is attached hereto as Exhibit "N".

Consider and act upon an amendment to The Woodlands Township's 2010 operating budget;

There was no need for a staff presentation or additional discussion on this item. Chairman Tough called for a motion and second to approve amendments to The Woodlands Township's 2010 Operating Budget. The amendments are related to the capital projects and the debt service line items that were discussed at the October 21, 2010 work session.

MOTION: Motion by Director Blair; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary and handout material for this item are attached hereto collectively as Exhibit "O".

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Consider and act upon a schedule of meeting dates for The Woodlands Township Board of Directors for calendar year 2011;

An amended schedule was handed out to the Board reflecting the changes discussed at the October 21, 2010 work session for the month of September. The Chair informed the Board that a schedule for Town Hall meetings and Budget meetings will need to be discussed at a later time. Chairman Tough then called for a motion and second to approve the proposed schedule of meeting dates for The Woodlands Township Board of Directors for calendar year 2011.

MOTION: Motion by Vice Chairman Matthews; second by Director Blair

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The 2011 meeting schedule for The Woodlands Township Board of Directors is attached hereto as Exhibit "P".

Consider and act upon a report in regards to exercising a purchase option for a new office facility of The Woodlands Township located at 9012 New Trails Drive;

Chairman Tough called on Don Norrell to present this item. Mr. Norrell provided a brief overview of this item and then called on Damon Palermo, Managing Principal with PalermoBarr Commercial Real Estate Advisors, to provide information on two financial reports. Mr. Palermo commented that in his opinion Option 1 related to issuing bonds in 2010 and purchasing the office facility using a bond amortization period of 15 years appeared to be the most compelling option for the lowest overall occupancy cost for The Woodlands Township. No action was needed.

The Executive Summary for the Option to Purchase and the two financial reports that were reviewed are attached collectively hereto as Exhibit "Q".

Note: The following five items, related to the purchase option for a new office facility for The Woodlands Township, were considered and acted upon individually. Mike Page, Legal Counsel for The Woodlands Township, walked the Board through these items and responded to questions as they were raised.

- 1. Motion by Secretary Hunter and second by Vice Chairman Matthews for approval and distribution of a Preliminary Official Statement and Official Notice of Sale of The Woodlands Township's Sales Tax and Hotel Occupancy Tax Bonds, Series 2010, to fund acquisition of land and administrative facilities for The Woodlands Township.**

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter

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Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

ACTION: Motion passed unanimously.

A Preliminary Official Statement is attached hereto as Exhibit "R".

- 2. Motion by Director Blair and second by Treasurer Robb to approve the engagement of Vinson & Elkins as Special Tax Counsel and Fulbright & Jaworski as disclosure counsel in connection with the proposed bonds of The Woodlands Township.**

VOTE:

Ayes: Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

ACTION: Motion passed unanimously.

- 3. Motion by Director Blair and second by Secretary Hunter to set a special meeting of The Woodlands Township Board of Directors for Wednesday, November 10, 2010 at 3:00 p.m. to be held at the Township's Board Room located at 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas to act upon the sale of the proposed bonds of The Woodlands Township.**

VOTE:

Ayes: Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously

- 4. Motion by Secretary Hunter and second by Director Blair to authorize applications for bond ratings and bond insurance in connection with the proposed bonds of The Woodlands Township.**

VOTE:

Ayes: Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

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Absent: None

ACTION: Motion passed unanimously.

5. **Motion by Director Blair and second by Vice Chairman Matthews to authorize the President/General Manager to give notice at the appropriate time (meaning upon sale of the bonds) of the exercise of The Woodlands Township's option to purchase the 9012 New Trails Drive property.**

VOTE:

Ayes: Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

CLOSED MEETING (if applicable)

It was not necessary to recess to Executive Session.

RECEIVE ADMINISTRATIVE REPORTS: Reports were presented at the October 21, 2010 Board Workshop.

DISCUSS FUTURE AGENDA/ANNOUNCEMENTS:

Consideration of items to be placed on the agenda for next month's meeting;

- Director Hausman requested that the Board discuss adding Public Comment at the end of the agenda.

Announcements:

- Chairman Tough reminded the Board of the Planning Session to be held in the morning at 8:00 a.m. at Service Center.

As there was no further business to discuss, Chairman Tough called for a motion and second to adjourn the meeting at 8:05 p.m.

MOTION: Motion by Vice Chairman Matthews; second by Director Blair

VOTE:

Ayes: Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

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A handwritten signature in blue ink, which appears to read "Claude Hunter", is written over a horizontal line.

Claude Hunter
Secretary, Board of Directors

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EXHIBIT OMISSIONS*

EXHIBIT "A"	EXHIBIT "K"
EXHIBIT "B"	EXHIBIT "L"
EXHIBIT "C"	EXHIBIT "M"
EXHIBIT "D"	EXHIBIT "N"
EXHIBIT "E"	EXHIBIT "O"
EXHIBIT "F"	EXHIBIT "P"
EXHIBIT "G"	EXHIBIT "Q"
EXHIBIT "H"	EXHIBIT "R"
EXHIBIT "I"	
EXHIBIT "J"	

***To view Exhibits, please contact the Records Management Analyst at 281-210-3800.**